



COMPLETION OF ISAAC PLAINS ACQUISITION

Transformation to Met Coal
Production

INVESTOR PRESENTATION
November 2015



IMPORTANT INFORMATION

This document has been prepared by Stanmore Coal Limited ("Stanmore Coal") for the purpose of providing a company and technical overview to interested analysts/investors. None of Stanmore Coal, nor any of its related bodies corporate, their respective directors, partners, employees or advisers or any other person ("Relevant Parties") makes any representations or warranty to, or takes responsibility for, the accuracy, reliability or completeness of the information contained in this document, to the recipient of this document ("Recipient"), and nothing contained in it is, or may be relied upon as, a promise or representation, whether as to the past or future.

The information in this document does not purport to be complete nor does it contain all the information that would be required in a disclosure statement or prospectus prepared in accordance with the Corporations Act 2001 (Commonwealth). It should be read in conjunction with Stanmore's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

This document is not a recommendation to acquire Stanmore Coal shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. Except to the extent prohibited by law, the Relevant Parties disclaim all liability that may otherwise arise due to any of this information being inaccurate or incomplete. By obtaining this document, the Recipient releases the Relevant Parties from liability to the Recipient for any loss or damage that it may suffer or incur arising directly or indirectly out of or in connection with any use of or reliance on any of this information, whether such liability arises in contract, tort (including negligence) or otherwise.

This document contains certain "forward-looking statements". The words "forecast", "estimate", "like", "anticipate", "project", "opinion", "should", "could", "may", "target" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward looking statements.

Although due care and attention has been used in the preparation of forward looking statements, such statements, opinions and estimates are based on assumptions and contingencies that are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Recipients of the document must make their own independent investigations, consideration and evaluation. By accepting this document, the Recipient agrees that if it proceeds further with its investigations, consideration or evaluation of investing in the company it will make and rely solely upon its own investigations and inquiries and will not in any way rely upon this document.

This document is not and should not be considered to form any offer or an invitation to acquire Stanmore Coal shares or any other financial products, and neither this document nor any of its contents will form the basis of any contract or commitment. In particular, this document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). Stanmore Coal shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration.

Marketable Reserves Note – The Range: The Marketable Coal Reserves of 94Mt is derived from a JORC compliant run of mine (ROM) Probable Coal Reserve of 117.5Mt based on a 14.8% ash product and predicted yield of 80%. The 94Mt marketable reserve is included in the 287Mt total JORC Resource (18Mt Measured + 187Mt Indicated + 82Mt Inferred Resource).

Reserves Note – Isaac Plains: The Marketable Coal Reserves of 3.7Mt is derived from a JORC compliant run of mine (ROM) Reserve of 5.0Mt based on a predicted yield of 73%. The 3.7Mt Marketable Reserve is included in the 30.1Mt total JORC Resource (10.0Mt Measured + 9.1Mt Indicated + 11.0Mt Inferred Resource).

Competent Persons Statement:

The information in this report relating to exploration results and coal resources is based on information compiled by Mr Troy Turner who is a member of the Australian Institute of Mining and Metallurgy and is a full time employee of Xenith Consulting Pty Ltd. Mr Turner is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Turner consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

The information in this report relating to coal reserves for Isaac Plains is based on information compiled by Mr Ken Hill who is a full-time employee of Xenith Consulting Pty Ltd. Mr Hill is the Managing Director of Xenith Consulting Pty Ltd, is a qualified civil engineer, a member of the Australian Institute of Mining and Metallurgy (AusIMM) and has the relevant experience (30+ years) in relation to the mineralisation being reported to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition)". Mr Hill consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

The information in this report relating to coal reserves for The Range is based on information compiled by Mr Richard Hoskings who is a member of Minserve Pty Ltd. Mr Hoskings is a mining engineer, a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and has the relevant experience (30+ years) in relation to the mineralisation being reported to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2004 Edition)". Mr Hoskings consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

STANMORE COAL

BECOMING A COKING COAL PRODUCER

✓ RESTART OF ISAAC PLAINS ON TRACK FOR FIRST HALF 2016

- Transaction completion achieved
- Recommissioning of dragline underway
- Negotiating to award initial three year open cut mining contract by end 2015
- First coal target - April 2016

✓ LOW COST OPERATION

- Optimised mine plan for dragline at 1.1Mtpa production substantially reduces unit costs
- Small owner's team to manage contractors and site operations
- Three year open cut mine life for Isaac Plains supported by JORC Reserves¹

✓ FULLY FUNDED TO COMMENCE PRODUCTION

- Fully-funded acquisition with no dilution for existing shareholders
- Vendor funding and Taurus facility cover all bank guarantee, start up and working capital costs

✓ PLANNING FOR MINE EXTENSION AT ISAAC PLAINS EAST (IPE)

- Recently acquired adjacent deposit provides low cost extension matched with existing Isaac Plains infrastructure
- Low strip ratio coal at IPE is anticipated to reduce mining costs further
- Confirmatory drilling underway with updated JORC position anticipated by June quarter 2016

✓ HIGH QUALITY COKING COAL FOR STEELMAKING

- Historically sold primarily to large Japanese, Korean and Taiwanese steel makers
- Positive offtake negotiations with former customers and potential new buyers of coal

✓ EXPANSION OPTIONALITY

- Significant excess capacity in wash plant other infrastructure, and Environmental Authority (up to 2.8Mtpa product)
- Assessing near term, low cost expansion options via underground mining with access from existing highwall
- Potential to increase production in response to higher coal price signals
- Assessing additional acquisition opportunities to build on strategic footprint and infrastructure in the Bowen Basin

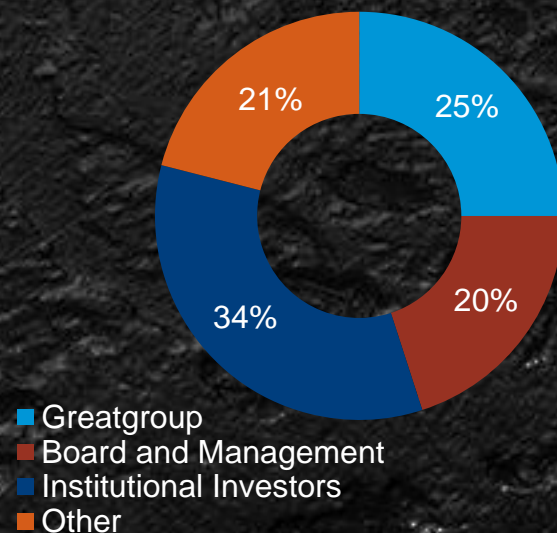
1. Refer Competent Person Statement p2

OVERVIEW OF STANMORE COAL

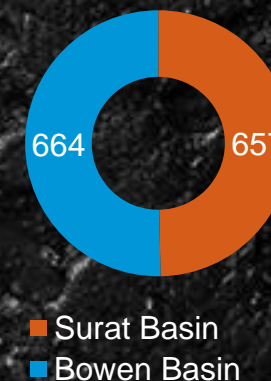
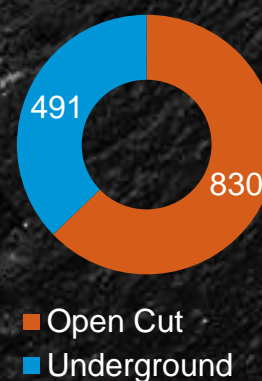
- Queensland based coal development company, transitioning to production through the acquisition of Isaac Plains
- Actively pursuing further opportunities in the current market downturn conditions
- Advanced metallurgical and thermal coal development projects in the Bowen and Surat Basin
- Rail and port infrastructure in place for key metallurgical coal projects
- Highly experienced Board and management team with proven track record of developing and operating coal mines
- Well funded with a strong shareholder base
- Low overhead cost base

ASX Code	SMR
Share price	A\$0.165 ²
Shares	222.5m
Market cap	\$36.7 m ²
Cash	A\$11.4m ³

Share ownership



Total Resources 1,321 Mt^{1,4}



1. Refer to Competent Persons Statement (p.2) • 2. As at 27 November 2015 • 3. As at 30 September 2015 • 4. 28 Mt Measured, 352 Mt Indicated, 941 Mt Inferred

ISAAC PLAINS

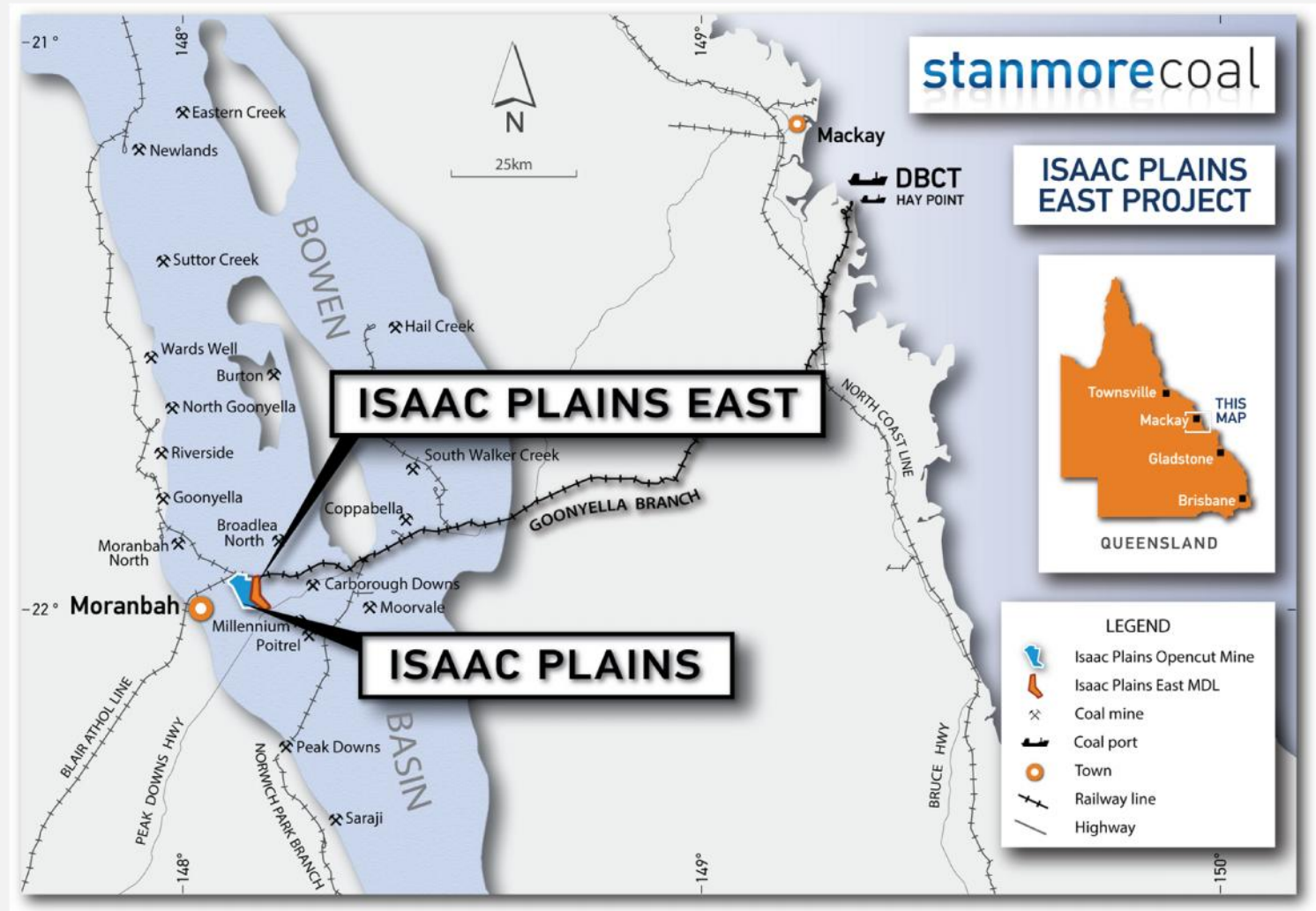
RESUMING COKING COAL PRODUCTION

LOCATION

- Located approximately 7 km east of the township of Moranbah in the heart of the northern Bowen Basin
- 172 km from Dalrymple Bay Coal Terminal (DBCT) via Goonyella rail line
- Surrounded by large scale operating coking coal mines

HISTORY

- Commenced production in 2006 as a truck shovel operation
- Dragline operations commenced in 2011
- Placed on care and maintenance late 2014
- Last coal shipped in February 2015



Stanmore is set to become an independent producer of high quality coking coal, a key raw material for the world's steel industry

ISAAC PLAINS

VALUE CREATING TRANSACTION FOR STANMORE

MAJOR ACQUIRED ASSETS

Include:

- Bucyrus 1370W dragline
- Coal Handling and Preparation Plant (CHPP)
- Dedicated train load out and rail spur facilities which connects to the Goonyella rail system
- Workshops
- Assorted critical spares and workshop goods

CONTRACTUAL COMMITMENTS

A number of contractual commitments also form part of the transaction terms. These include:

- Rail haulage and port contracts
- Accommodation services agreement
- Water supply and transportation arrangements
- Power supply contracts
- Financial Assurance to Queensland Government for future Mine rehabilitation (A\$32m)
- Total bank guarantees of A\$46.7m on foot including rehabilitation and infrastructure commitments

ACQUISITION PRICE AND COMPENSATION

- Acquisition price \$1
- From the date of completion and through the first 12 months post completion, Stanmore will have received the majority of the following vendor compensation payments:
 - A\$13m in relation to the unutilised portion of several novated infrastructure contracts. This amount will be used to pay out the remaining unutilised portion over time; and
 - A\$42m to support various working capital requirements and contractual commitments. These payments will go towards recommissioning costs, working capital requirements and infrastructure related contractual commitments.
- Compensation payments made in relation to working capital and contractual commitments will be repaid to the vendors via a production-based royalty¹

1. Royalty repayment will apply based on pricing thresholds which are above AUD 160 per tonne for hard coking coal

ISAAC PLAINS

SOURCES & USES OF FUNDS

PRO FORMA CASH POSITION – STEADY STATE

The pro-forma cash position reflects management's estimates to steady state production by June 2016. These cash flows include:

- Vendor compensation payments in relation to unused take-or-pay contracts and contributions to infrastructure charges
- Pre-commissioning capital expenditure for major plant items
- General working capital for overheads and other expenditure necessary to mobilise contractors and people to first coal

In addition bank guarantees totalling A\$46.7m have been funded in relation to State Government Financial Assurance and infrastructure commitments. These have been provided via the Taurus financing arrangement

The analysis shows Stanmore is well positioned at first coal with a pro-forma cash balance of \$19 million and \$17 million of undrawn working capital facility.

Sources & Uses	A\$M
Stanmore cash balance at completion ^{1,2}	35
Vendor compensation payments to first coal ²	6
Pre-commissioning capital expenditure	(6)
Exploration / development capital expenditure	(1)
Mining, infrastructure and working capital to first coal	(15)
Cash at first coal	19
Mining, infrastructure and working capital to steady state production	(19)
Vendor compensation payments to steady state production ²	9
Cash at steady state production	9
Remaining vendor compensation payments to be received ²	9
Undrawn Taurus working capital facility ³	17

1. Stanmore group cash plus vendor compensation payments received on completion, less establishment fees and interest in advance
2. Total vendor compensation payments of A\$55m to August 2017
3. US\$12 million working capital facility converted to A\$ based on the RBA rate at 30 November of 0.7227

ISAAC PLAINS

FINANCING IN PLACE FOR PRODUCTION

Taurus Mining Finance Fund (**Taurus**) has provided a US\$42 million interest only facility for a term of 2 years

Approximately US\$30 million will be used for financial guarantees, with the balance available as a contingent working capital facility should it be required

Cost of drawn funds is 10% per annum (undrawn funds 2% per annum)

Stanmore has contributed A\$6 million to date from existing cash reserves. Should the Taurus working capital facility be required, Stanmore will contribute:

- a further A\$3 million to access the first half (total contribution A\$9 million);
- a final A\$3 million to access the remaining facility (total contribution A\$12 million)

The financing structure in place has been sized to provide sufficient funding to reach full production without the requirement for additional equity and therefore sees Isaac Plains fully funded

Stanmore is planning to refinance the Taurus facilities with 2 years with lower cost bank debt as additional reserves are proven

ISAAC PLAINS

AQUIRED ASSETS – A FULLY OPERATING MINE

DRAGLINE



- Bucyrus BE1370
- High performance machine – in last year of operation moved >15 million bank cubic metres (bcm)
- Major pre-start service underway including replacement of swing-rack

TRAIN LOADOUT



- CHPP, product stockpile and train loadout in close proximity
- Conveyor feed to rail surge/loading bin

COAL HANDLING AND PROCESSING PLANT



- Coal trucked to the CHPP and washed to form multiple products at a total yield of 70–75%
- Excess capacity - 500tph feed rate (3.5 Mtpa) constructed in 2006
- Belt press filter – no tailings dams
- Flexible operating setup to produce multiple coal products

OFFICE FACILITIES AND WORKSHOPS



- Established office setup includes communications and other infrastructure
- Several maintenance workshops

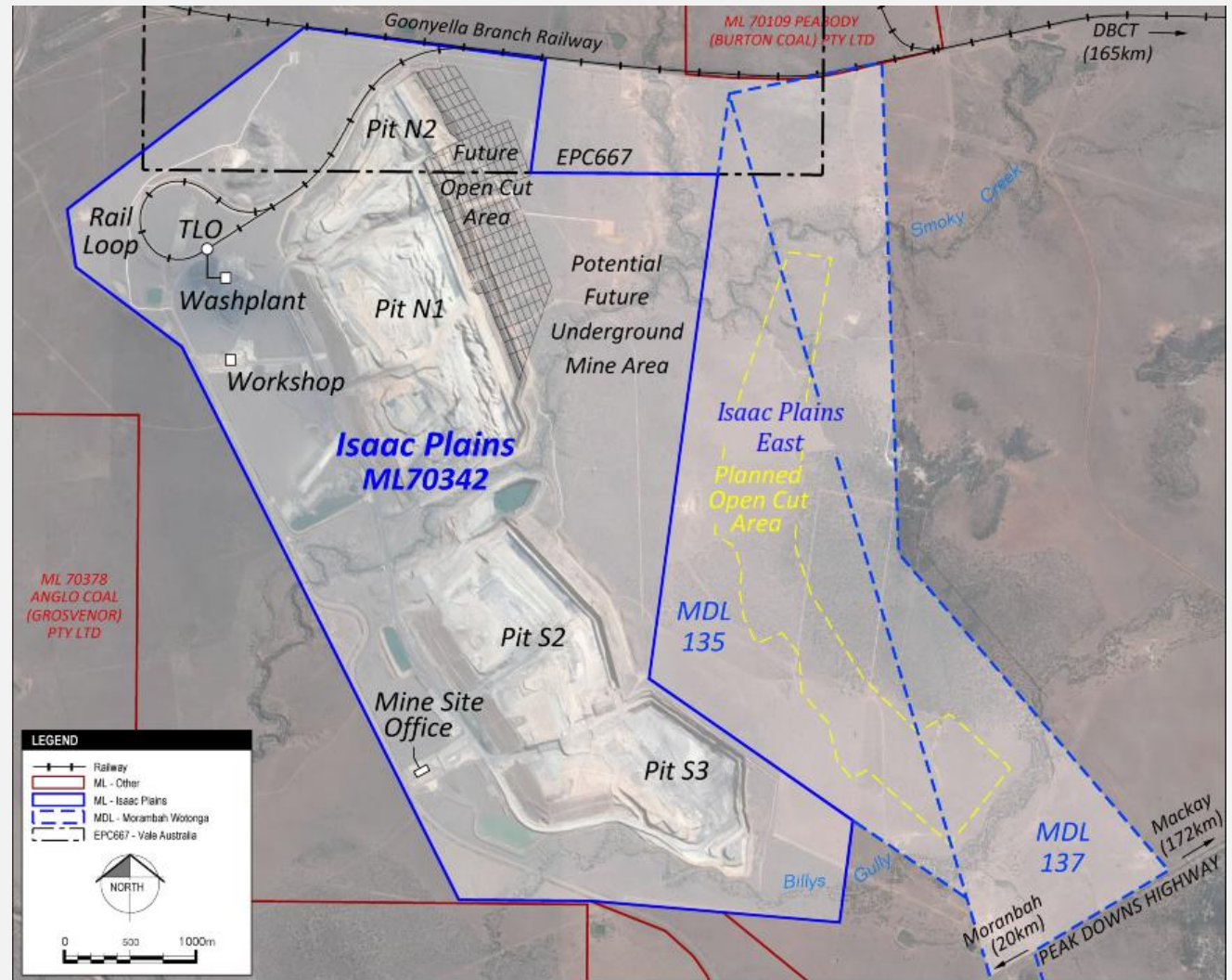
ISAAC PLAINS

A LOW COST APPROACH

RIGHT SCALE OF OPERATION

- Asset re-optimised at 1.1Mtpa of product coal to maximise proportion of low cost dragline
- Open cut mining of lower strip ratio northern pits only
- Contractors' rates are significantly lower than recent boom period
- Utilise existing infrastructure to develop low strip ratio extension at Isaac Plains East
- Reduction in take-or-pay contracts from 2.8 Mtpa to 1.1 Mtpa matches optimised production level

Lower strip ratio at Isaac Plains East is likely to improve operating costs in the future



1. Wood Mackenzie and Stanmore Coal analysis

ISAAC PLAINS

STRATEGIC PORT AND RAIL POSITION

- Stanmore has secured around 1.1Mtpa of rail and port capacity to match the initial production level
- Further expansion capacity is likely to be available in current market environment
- Significant expansion capacity within Isaac Plains CHPP and train load out up to 2.8Mtpa of production
- Total transport infrastructure costs under A\$15/tonne at steady-state production

DALRYMPLE BAY COAL TERMINAL



Source:
Dalrymple Bay
Coal Terminal
website

ISAAC PLAINS

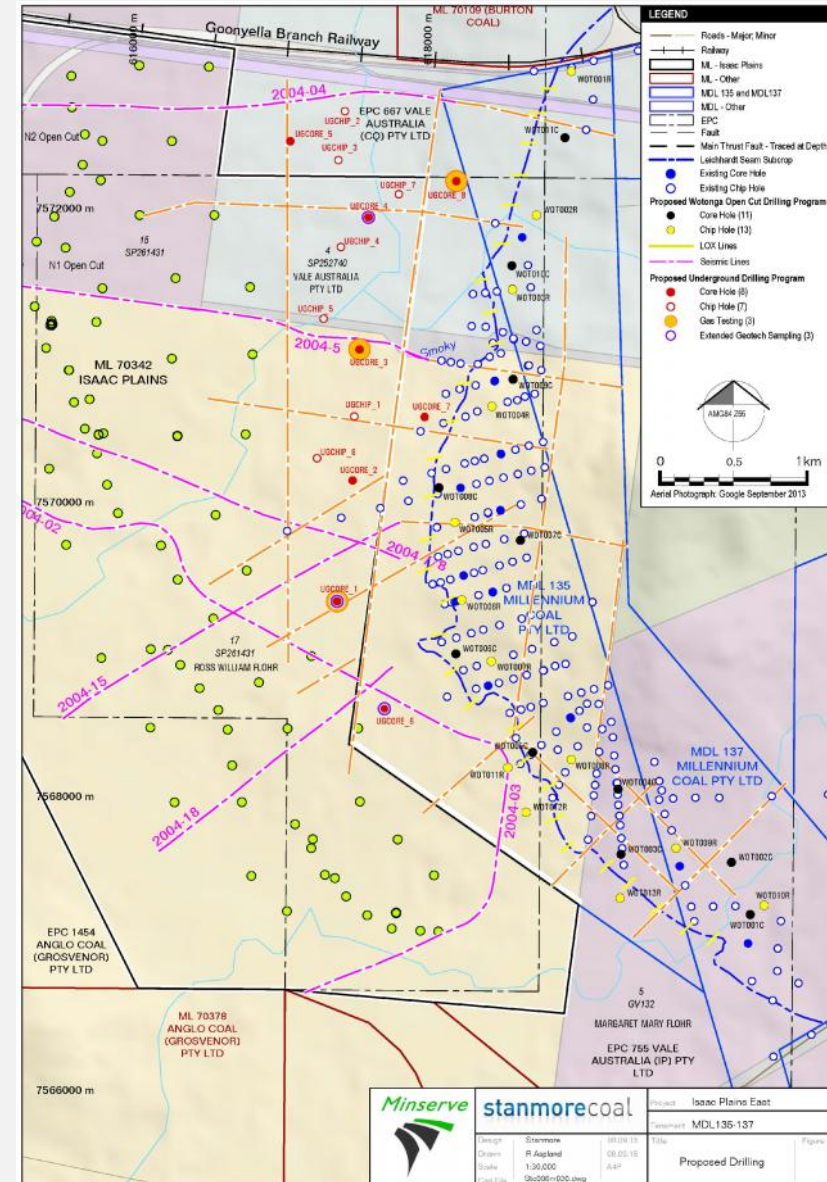
EXPLORATION UNDERWAY TO SUPPORT MINE EXTENSIONS

- Extensive exploration program underway, targeting both Isaac Plains underground and Isaac Plains East open cut deposits
- Significant 2D seismic analysis and line of oxidation drilling underway to inform geological model
- Updated JORC report anticipated by June quarter 2016

Current Isaac Plains JORC Status¹

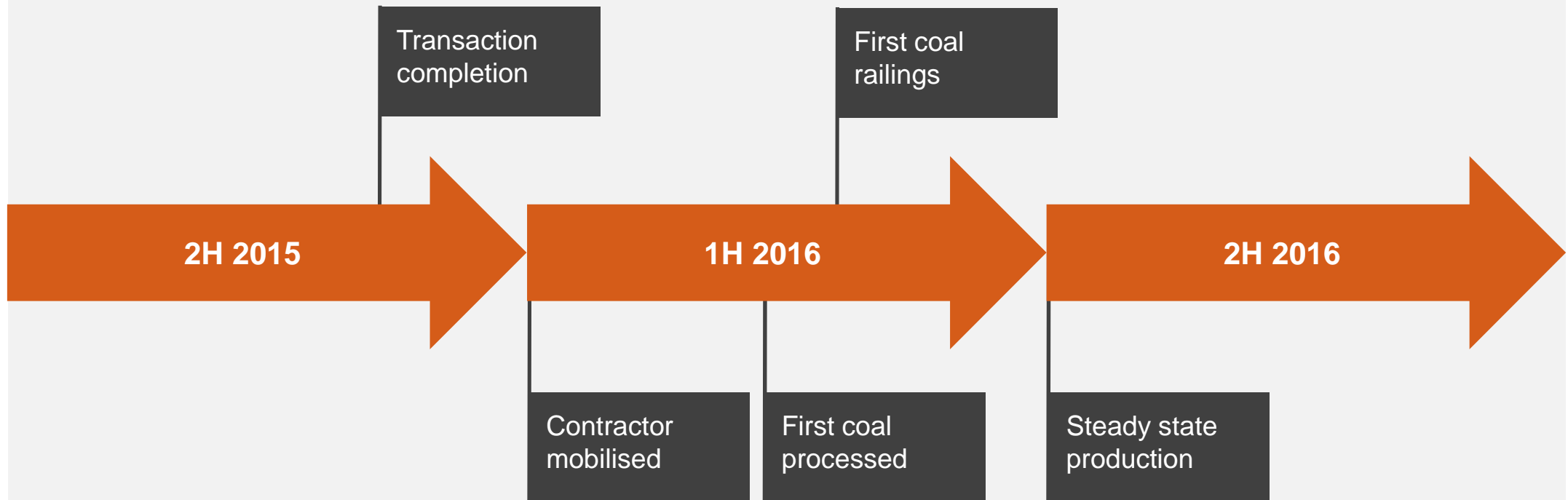
Measured	10.0 Mt
Indicated	9.1 Mt
Inferred	11.0 Mt
Total Resources	30.1 Mt
Proven	3.7 Mt
Probable	1.3 Mt
Total Reserves	5.0 Mt

1. Refer Competent Persons Statement and Reserves Note (p2)



ISAAC PLAINS

INDICATIVE TIMETABLE TO PRODUCTION



STANMORE COAL ADDITIONAL INFORMATION



STRONG BOARD

AND MANAGEMENT TEAM

Over 150 years of coal exploration, development and operational experience

KEY MANAGEMENT

Nick Jorss
Managing Director

20 years in engineering, project management, resource financing and M&A.

Mike McKee
Chief Operating Officer

Mine manager with over 30 years experience, mainly in the Bowen Basin. Most recently General Manager at Minerva, Yarrabee and Sonoma mines.

Andrew Roach
Chief Financial Officer

10 years of accounting and finance experience in the resource and financial sectors.

Nigel Clifford
Senior Geologist

10 years of experience including within Stanmore Coal and Linc Energy.

NON-EXECUTIVE DIRECTORS

Neville Sneddon
Chairman

Mining engineer with 40 years experience in coal, formerly CEO of Anglo Coal Australia, Chairman of DBCT Port and Director of PWCS Port.

Stephen Bizzell

Extensive experience in commercialising resources companies, former executive director of Arrow Energy and current Chairman of Bizzell Capital Partners.

Chris McAuliffe

Co-founder and MD of Sprint Capital Partners. More than 20 years experience in investment banking and private equity in Asia.

Viv Forbes

Over 40 years of Bowen Basin coal experience including all phases of coal mine development at Goonyella, South Blackwater, Burton, and Tahmoor coal mines. Formerly Director of DBCT Port.

Patrick O'Connor

Experience in a wide range of industries including mining, oil & gas exploration, forestry, biotechnology and government utilities. Former non-executive chairman of TFS Corporation Limited.

OVERVIEW

OF STANMORE ASSETS

BOWEN BASIN – Coking Coal

ISAAC PLAINS – 100%

- Total Resources 30.1 Mt
- Total Reserves 5.0 Mt
- Ramp-up to operations

ISAAC PLAINS EAST – 100%

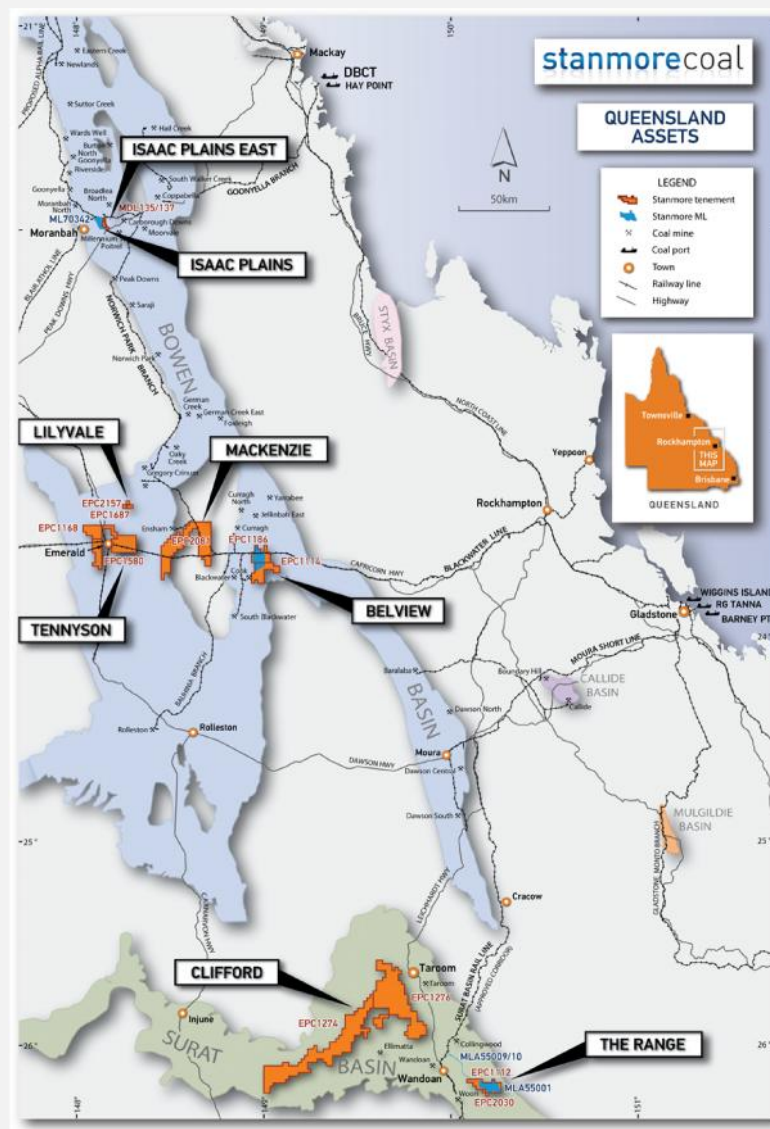
- Undertaking development activities

BELVIEW – 100%

- Total Resources 330 Mt
- Pre Feasibility underway

LILYVALE – 85%

- Exploration



MACKENZIE – 85%

- Coking Coal
- Total Resources 143 Mt
- Exploration

SURAT BASIN – Thermal Coal

THE RANGE – 100%

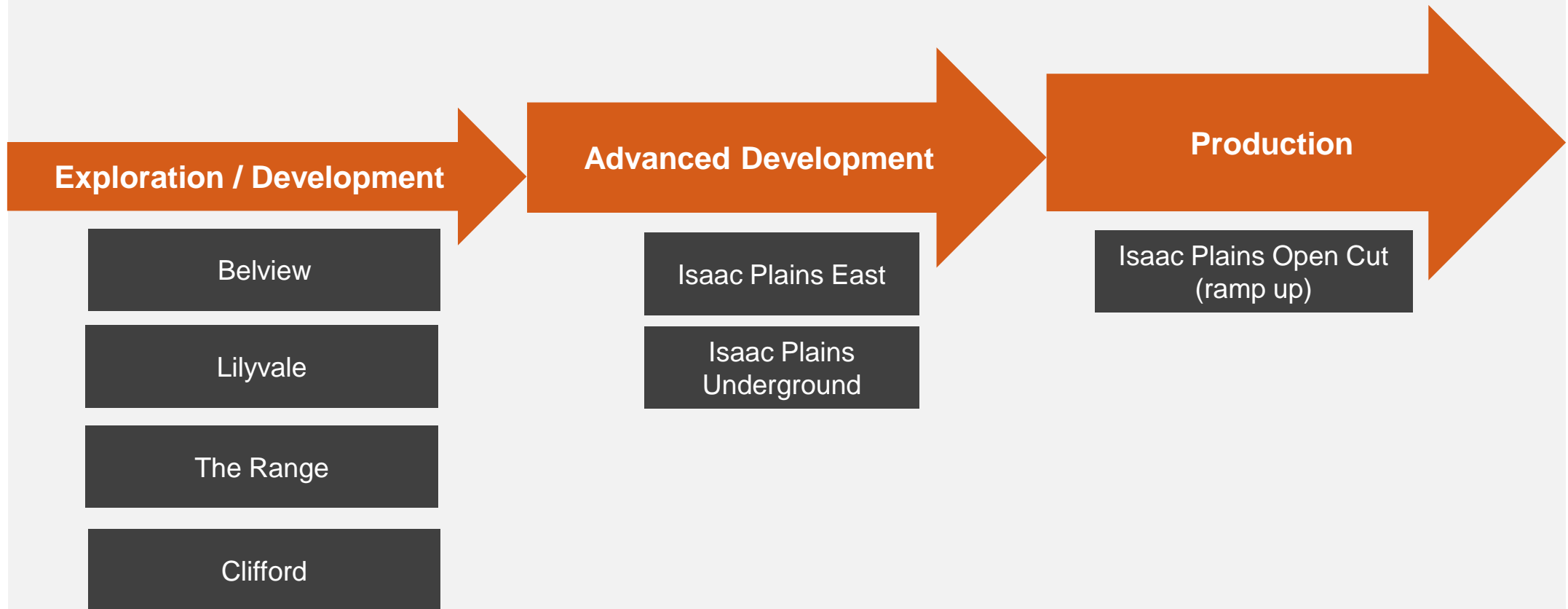
- Total Resources 287 Mt
- Total Reserves 112 Mt
- Development

CLIFFORD – 60%*

- Total Resources 370 Mt
- Exploration & studies

STANMORE'S PROJECT PIPELINE

DRIVING LONG TERM SHAREHOLDER VALUE



Potential to utilise near-term cash flows for self funded development or prudent acquisition opportunities

RESERVES

AND RESOURCES

Asset		JORC Marketable Coal Reserve ^{1,2}	JORC Recoverable Coal Reserve ^{1,2}	JORC Measured Resource ¹	JORC Indicated Resource ¹	JORC Inferred Resource ¹	Total JORC Resource ¹
Isaac Plains	Coking/Thermal	3.7	5.0	10.0	9.1	11.0	30.1
The Range	Thermal	94.2	117.5	18.0	187.0	82.0	287.0
Clifford	Thermal	-	-	-	80.0	290.0	370.0
Mackenzie	Coking	-	-	-	25.7	117.5	143.2
Belview	Coking	-	-	-	50.0	280.0	330.0
Tennyson	Thermal/Coking	-	-	-	-	161.0	161.0
Total		97.9	122.5	28.0	351.8	941.5	1,321.3

1. Refer to Competent Persons Statement (p. 2)

2. Refer to Marketable Reserves Note (p. 2)

COAL MARKET OUTLOOK

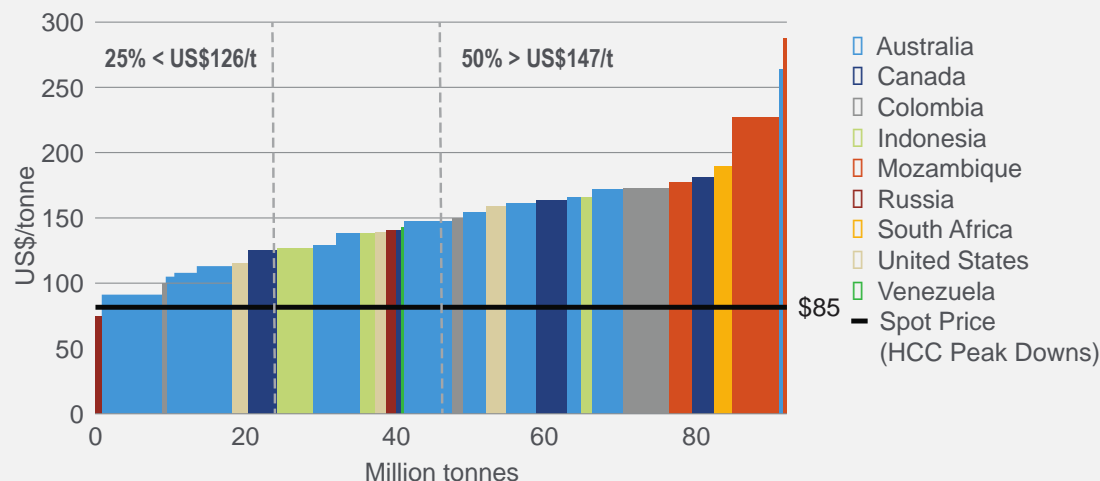
RESERVES

MACRO FACTORS SUPPORT A POSITIVE OUTLOOK FOR METALLURGICAL COAL

THE NEXT WAVE OF HIGH QUALITY MET COAL PROJECTS REQUIRES A SIGNIFICANT INCREASE IN PRICING

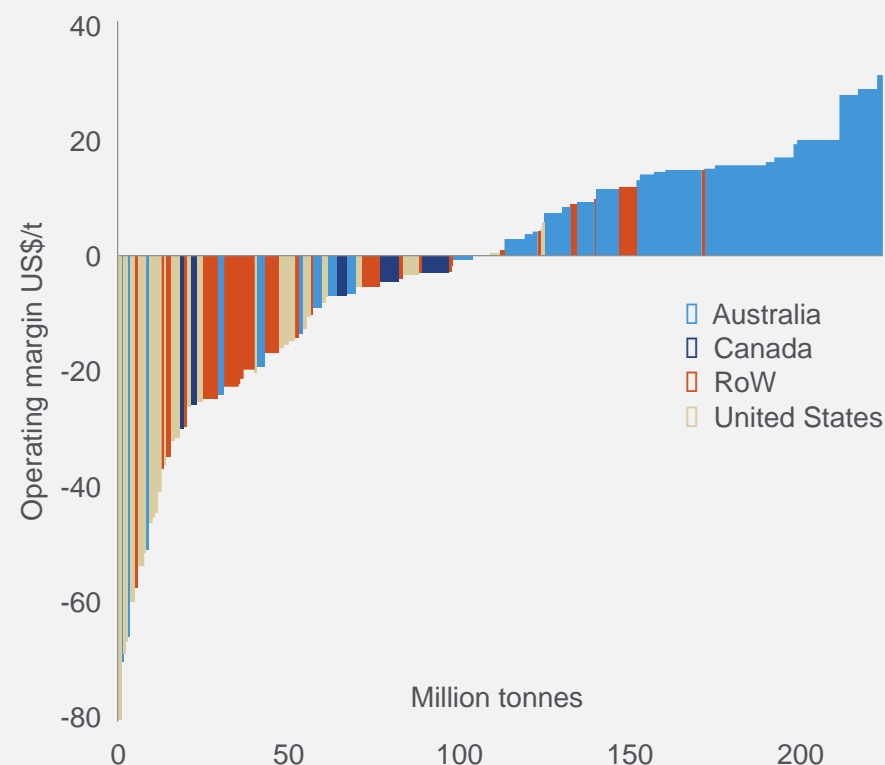
- Incentive price curve shows almost no new projects would be developed in current price environment
- Current prices indicate significant tonnages (>100Mt) are losing money
- Production rationalisation may assist in the short term but it is the lack of current project development in the face of ongoing steel demand that will drive the upward price trajectory as supply demand is rebalanced

INCENTIVE PRICE FOR METALLURGICAL COAL PROJECTS (US\$/TONNE, 15% IRR)



Source: Wood Mackenzie. Dataset: May 2015

HCC US\$ MARGINS @US\$89/T, 0.78:1



Source: Wood Mackenzie Coal Supply & Coal Market Services